

E480
, D26



480
26
by 1

GOVERNMENT CONTRACTS.

S P E E C H

OF

HON. HENRY L. DAWES

OF MASSACHUSETTS.

25.10

Delivered in the House of Representatives, January 13, 1862.



WASHINGTON, D. C.

ECANMELL & CO., PRINTERS, CORNER OF SECOND AND INDIANA AVENUE, THIRD FLOOR.
1862.

E480
D26

SPEECH

— 0 —

The House having under consideration House Bill No. 154, making appropriations for sundry civil expenses of the Government for the year ending the 30th June, 1863, and additional appropriations for the year ending 30th June, 1862—

Mr. DAWES said :

Mr. SPEAKER: I desire to return my thanks to the House for affording me an opportunity to reply, this morning, to the speech of the gentleman from New York. [Mr. SEDGWICK,] attempted to be injected on Friday last between the lids of the previous question. I shall endeavor, in availing myself of the opportunity thus accorded me, to deal as fairly and candidly with the House as they have with me.

As the debate on Friday turned much on the report of the committee of which I am one of the members, though not the chairman, and not permitted to speak for the committee itself, yet, perhaps, I may speak for myself, and, so far as is proper for me, express the views of the committee touching as well this matter as what they have conceived to be their duty under the commission with which they have been charged by the House.

Mr. Speaker, though I have spent the best part of my Congressional life upon investigating committees, no one such committee was ever yet raised upon my motion. No resolution was ever yet offered by me calling for inquiry, or alleging accusations that needed inquiry; no motion was ever made by me, the result of which has caused an investigation in this House. I have no taste for such employment. And although I have felt that it was neither proper for me to seek nor to decline the service that has been thus imposed upon me, I have felt nevertheless, when it has come to me, that as well as it was in my power I should meet and discharge that duty without fear, favor, or affection. If, when, in party times that I have gone by, it has been my fortune or misfortune to be placed upon these committees, in those times when I have served in minorities—if in those times I have experienced less of mortification in the work which I have had to do, I have found it incumbent upon me in these times, when I have been placed in a majority, in the discharge of a like duty, to take heed that I discharge that duty quite as fearlessly and

quite as faithfully, however much mortification and discomfiture may be the result.

Sir, I have not failed to notice—and I believe the committee of which I am a member have taken notice, in common with the whole country, of the fact, that for some reason or other—some unaccountable reason—the charges upon the Treasury in this time of war have been such as to reach nearly the bottom. Startling facts have come to the notice of the committee, and to the notice of the whole country, touching the mode and manner of the expenditure of the public money. Some of those items, if the House will have patience with me, I propose to call their attention to in this connection; and then to ask gentlemen the plain question, whether they propose to meet this matter at all; and, if to meet it, how, when, and where?

Mr. Speaker, the very first contract entered into by this Government after our troops had left their homes to come here, in April last, for the defence of this capital, by which they were to be fed, was a contract entered into for cattle—not with men whose business it is to furnish cattle for the market; not with men who knew what the price of beef in the market was; entered into without even telegraphing to know what was the price of beef in New York—was entered into by the Government here with men known about this and the other branch of the Congress for the last ten years as old political stipendiaries—of a class of men who, in times past, have made what little money they have by such operations as buying the certificates of members for books at a discount, and then drawing from the Treasury the full amount—and at such enormous rates, sir, that these men sat down after they have received the contract, and, in the next twenty-four hours, sub-let it to men in New York, who did know the price of beef, on such terms that, upon the first twenty-two hundred cattle, they put into their own pockets, without stirring from their chairs, \$32,000, and the men who furnished the twenty-two hundred head of cattle took \$26,000 more into their own pockets; so that the contract under which these twenty-two hundred cattle were furnished to the army was so made

that a profit of \$58,000 over the market price of the beef was realized on that small number. A thousand head of cattle are consumed by the army in less time than it takes for them to reach the capital; and I ask this House, at that rate, to consider how long the most ample provisions of the Treasury would be able to meet simply the subsistence department of the army.

Sir, poorly as the army is shod to-day, a million of shoes have already been worn out, and a million more are already manufactured and in the hands of the quartermasters for delivery; and yet upon every one of these shoes there has been a waste of seventy-five cents—\$750,000 upon the shoes already worn out, and another \$750,000 upon the shoes already manufactured, and not delivered, have been worse than wasted in that item of expenditure.

Mr. Speaker, horse contracts have been so plenty that Government officials have gone about the streets with their pockets filled with them, and with which they make presents to the clergymen of their parishes. Some of these contracts have served to heal old political sores, and cure bitter political feuds; and the telegraph announced that high public functionaries have graced with their presence the love-feasts which were got up to celebrate political reconciliations thus brought about—where the hatchet of political animosity is buried in the grave of public confidence, and the national credit is crucified between malefactors. We have just received the fruits of one of these contracts. A regiment of cavalry has just reached Louisville, one thousand strong, and a board of army officers has condemned four hundred and eighty-five of the one thousand horses as utterly worthless. The man who examined those horses declared, upon his oath, that there is not one of them worth twenty dollars. They are blind, spavined, ringboned, afflicted with the heaves, with the glanders, and with every disease that horse-flesh is heir to. Those four hundred and eighty-five horses cost the Government before they were mustered into the service \$58,200, and it cost the Government to transport them from Pennsylvania to Louisville more than one thousand dollars more, before they were condemned and cast off.

Mr. MALLORY. Will the gentleman permit me to inquire from whence those horse were furnished?

Mr. DAWES. It is Colonel Williams's regiment of cavalry from Pennsylvania. The horses were purchased in Pennsylvania, and forwarded from that State to Louisville, and there condemned. There are, sir, eighty-three regiments of cavalry, one thousand strong, now in or round about the army. It costs \$250,000 to put one of those regiments upon its feet before it marches a step. Twenty millions of dollars have thus been expended upon these cavalry regiments before they left the encampments in which they were gathered and mustered into

the service. They have come here and then some of them have been sent back to Elmira; they have been sent back to Annapolis; they have been sent here and they have been sent there to spend the winter; and many of the horses never sent back have been tied to posts and to trees within the District of Columbia, and there left to starve to death. A guide can take you around the District of Columbia to-day to hundreds of carcasses of horses chained to trees where they have pined away, gnawing bark and limbs till they starve and die; and the Committee for the District of Columbia have been compelled to call for legislation here, to prevent the city wherein we are assembled from becoming a horse Golgotha.

Why, Mr. Speaker, an ex-Governor of one State offered to the ex-judge of another State \$5,000 to get him permission to raise one of these regiments of cavalry; and when the ex-judge brought back the commission the ex-Governor took it to his room at the hotel, while another co-plunderer sat at the keyhole watching like a mastiff for his dinner. He counted up \$40,000 profit upon the horses, \$20,000 on the accoutrements, and like profits for the other details in furnishing the regiment.

In addition to the arms now in the hands of the six hundred thousand soldiers in the field, and those purchased abroad, there are outstanding contracts to-day—made with private individuals, and not made upon public advertisement; made with ex-members of Congress—who know no more of the difference between arms than a mere child, with ex-brokers and their fathers and brothers—outstanding contracts for the manufacture of Springfield rifled muskets, the first one of which cannot be delivered within six months from this day, one million and ninety-two thousand in number, at 20 or 21 dollars a piece, when the Springfield armory manufactures them to-day for \$13.50. An ex-member of Congress is to-day in Massachusetts trying to get the machinery made by which he can manufacture, some six months hence, at twenty dollars a piece, the rifled Springfield muskets that are manufactured to-day at the Springfield armory for \$13.50. Before a single one of these muskets will have been delivered, the Springfield armory will be put in capacity to turn out thirty thousand rifled muskets every month. The Lord, before six months shall have passed, will have disposed of this war, or He will have disposed of us. There will not be one of these muskets here before this difficulty will, in the providence of God, have been surmounted. I ask my friends from the Northwest, who expect to have a United States armory at Chicago, or at Rock Island, or Quincy, or some other beautiful place there, what they will make in it if one million and ninety-two thousand Springfield muskets are to be put upon the country after this war is over, and at this enormous price. In addition, Mr. Speaker, there are outstanding contracts for

the manufacture, sometime hence, of two hundred and seventy-two thousand Enfield rifles.

Mr. WICKLIFFE. What is the name of the ex-member of Congress?

Mr. DAWES. It is unnecessary, for the purpose of my argument at this time, for me to mention names, and especially when I am charged by my friend from New York with desiring to blacken men's names, and using my position upon the select committee to that end. I desire to bring to the attention of the House the enormous expenditures of the Government; and it does not make so much difference in this discussion whether A or B gets the job.

Mr. ARNOLD. Will the gentleman from Massachusetts permit me to have read a letter from General Ripley, showing how much cheaper and better arms can be made by the Government than they can be furnished by these contractors?

Mr. DAWES. The gentleman can have that letter read when I get through. I speak by the figure; and I know what I am speaking on at this time, if I should not on some other occasion.

Seventy-five thousand three hundred and forty-three carbines are contracted for, to be made by and by at \$1,978,442. I have not time to enumerate all the contracts. While we appropriated at the last session \$20,000,000 for this purpose, \$37,000,000 and odd have already been pledged, not for the purchase of arms for men in the field, not to provide arms for the men who are fighting the battles of the country, but for some use upon some future occasion. Not only has the appropriation been exhausted, but \$17,000,000 has been pledged. The fall of Sumter and the riot of 19th of April in Baltimore opened this drama. On the 21st of April, in the city of New York, there was organized a corps of plunderers upon the Treasury, and \$2,000,000 was put at the discretion of a poor unfortunate—honest, I think—but entirely incompetent editor of a newspaper. He went straightway to purchase linen pantaloons and straw hats, and London porter and dried herrings, and such like provisions for the army, including Hall's carbines, until he had used up \$240,000 of the money, and then he got scared and stopped. [Laughter.]

Mr. HOLMAN. My friend has made a slight mistake. He expended \$390,000 instead of \$240,000.

Mr. DAWES. With the eye of my friend from New York upon me, I would rather keep a little under. [Laughter.] The appropriation for that expenditure was contained in the bills of the last session, and the appropriation for the others I have no doubt are provided for in the bills already reported by the Committee of Ways and Means.

There, too, is a wood contract, where a man has the pledge of the Government to pay him seven dollars a cord for all the wood that he will deliver to the camps around about this

Jerusalem. Nevertheless, he picks up the wood cut down to clear the way for our dumb batteries, and he sends it to the camps in the army baggage wagons. He has no further trouble, so far as I am able to learn, than to draw his seven dollars a cord, and to let the Government draw the wood. [Laughter.] That appropriation will come up in one of these bills. If I should raise an objection, I fear I should be met with the imputation that I desire to blacken some man's character.

Mr. Speaker, it takes \$2,000,000 every day to support the army in the field. One hundred millions have been expended since we met here in the beginning of December, upon an army in repose. What they will be when that great day shall arrive—if it shall ever arrive—when our eyes shall be gladdened with the sight of the army in motion, I do not know. Another \$100,000,000 will go with this, as the \$100,000,000 more I have here enumerated, outside of the daily support of the army, have gone—another \$100,000,000, I say, must be added to this before the 4th of March. Sir, what it may cost to put down this rebellion, I care very little, provided it may be put down; but, sir, faith without works is dead; and I am free to confess that my faith sometimes fails—my faith in men, not in the cause.

Sir, when the history of these times shall have been written, it will be somewhat doubtful upon whom the guilt will rest most heavily—upon him who has conspired to destroy, or upon him who may prove incompetent to preserve, the institutions which have been bequeathed to us by our fathers. Sir, amid all these things, is it strange that the public Treasury trembles and staggers like a strong man with a great burden upon him? Sir, that man beneath an exhausted receiver gasping for breath is not more helpless to-day than is the Treasury of this Government beneath the exhausting process to which it is subjected. The mighty monarch of the forest himself may hold at bay the proudest and the mightiest of his foes, while the vile cur comes up behind him, opening his veins, and though he may struggle and struggle on, boldly and valiantly, the life-blood trickling from his soul, yet sooner or later his grasp will be unloosed, and he will faint and falter and die.

Without income from your custom-houses, from your land sales, from any source whatever, to sustain the Treasury notes you are issuing, they are already beginning to fall in the market. Already are they sold at five per cent. discount at the tables of the money changers—six per cent. my friend near me says—and while we were exhibiting the singular spectacle here on Friday of struggling with the Committee of Ways and Means itself in an endeavor to lift up and sustain the credit of the country, the sutler, that curse of the camp, was following the paymaster, as a shark follows a ship on its voyage, and buying up for four dollars every

five of the wages of the soldier paid in Treasury notes.

Now, sir, I have no desire to hasten on this array. I have no desire to interfere with its operations, or to criticise any of its movements; but in view of the stupendous drafts upon the Treasury, I have to say, the longest road has its turn, and the deepest well has its bottom. Sixty days of the present state of things will bring about a consummation. It is impossible for the Treasury of the United States to meet and continue to meet this state of things sixty days longer; and an ignominious peace is upon the country, and at our very doors, unless we see to it that the credit of this country is sustained, and sustained, too, by a conviction upon the people, going forth from this Hall, that we will treat as traitors not only those who are bold and manly enough to meet us face to face in the field, but also those who clandestinely and stealthily draw our life-blood from us in this mighty struggle.

I do not, Mr. Speaker, fail to recognise the great duties which are incumbent upon the Committee of Ways and Means. They will not find in me an antagonist. They will, to the amount of my ability, find me contributing what little is in my power to aid them in carrying through the mighty measures they have got to institute to save us from utter ruin. By their side, if it be worth anything, I will stand to aid them in all those measures; but those measures will fall like a dead pall upon the public unless before them goes this assurance, that these vast and extreme measures instituted to resuscitate and revive and replenish the Treasury are not merely for means to fill other and longer as well as the already gorged pockets of public plunderers. How, then, are we to contribute in this matter of reviving public confidence in our measures here, if it be not, when these appropriations come up, that we show a willingness and determination to probe them, that we may ascertain whether there be or be not in them anything that can be spared at this moment? During the last vacation, that which was to most of you a vacation, I felt that the duty imposed upon me by the Speaker was to do what little was in my power practically to save the Treasury from further plunder. I went, as a committee man, to work. I travelled nearly six thousand miles without compensation. I devoted myself faithfully, if not successfully, to that work, in a disposition to render myself practically useful with my colleagues upon that committee; and when we thought we found any matter that needed investigation, that there might be a practical result, we laid the matter before the Departments, and it is due to them to say that with one or two exceptions they heartily co-operated with us; and I venture to say that some little at least has been saved to the country through that instrumentality. It was this that prompted us in the matter now more immediately before the House. I

regret that any gentleman should infer that it was a disposition to attack a high public functionary, whose character has always been so high and so above reproach that no man in bitter party times, or any other, has brought aught against him. The attempt to force this controversy upon the shoulders of the Secretary of the Treasury by those who are disposed to hurry this appropriation through, without further consideration of its merits, has been, if from any quarter, that of which the Secretary himself has most reason to complain. The man is no true friend of the Secretary or of his reputation who insists upon charging to him, or to his door, whatever of complaint there grows out of this matter. With the distinct and positive declaration upon the part of every man who has called in question this particular item, that it was without fault of the Secretary of the Treasury, I repeat that the attempt to carry it in upon the shoulders of the Secretary is an attempt, if not intended, certainly attended with the result of making him answer for other people's sins. Nor am I disposed to be driven from the position at first assumed upon this question.

I am not, sir, to lose sight of the fact that all that was asked by the amendment offered by my colleague [Mr. HOLMAN] upon the committee, and supported by the other members of the committee, was to postpone so much of this appropriation as was necessary to fulfill that existing contract, and to leave the rest of it, if possible, to its legitimate expenditure—to postpone it, not to defeat it, unless, upon an investigation by those upon whom investigation is incumbent here, it shall prove such a contract as deserves to be scorned and repudiated by those upon whom the just administration of the affairs of the Government rests. My colleague upon the committee said, all who have spoken upon this question have said, that such were the peculiar circumstances of this case, that it demanded further investigation. My friend from New York, even, says that to him all is dark. The Secretary of the Treasury estimated in July that it would cost \$300,000 to execute this work. It has been so contracted for that it not only has cost \$300,000, but \$550,000. Now, I say, that of itself requires of us, who are voting public money by the hundred thousands in this way, to ask the question, and have the question answered by somebody, before we pay this money. There may be the best reason in the world, and it is not my fault if I am not able to furnish at this moment, from the Secretary himself, every particular pertaining to this contract. I have sought it diligently ever since last Friday. It is scarcely an hour since I left the Treasury building; and I repeat, it is not my fault that I am not able to spread before this House not only the contract itself, but everything which has been done under it. I prefer, for one, before I vote to pay any more money,

to know exactly where and why it is going.

I must hurry on, and say a few words more nearly to the question before the House on Friday last, and upon which the House gave me permission to speak; and that was the speech of the gentleman from New York, [Mr. SEDGWICK.] I understand the gentleman from New York not to dispute, but that if the facts laid before the House are true as contained in the testimony of Samuel A. Hopkins, they furnish good ground for further delay and examination of this matter. But he attempts to weaken that testimony, and says it is not worthy of credit before this House. Without any testimony outside of that evidence, he finds in the evidence itself what he claims to be reason enough for our discrediting it. Sir, look into the testimony, and say whether it is a probable story. The first complaint he makes, and which he seems to lay great stress upon—because he repeats it twice in his speech—is that this investigation proceeded upon the part of the committee for another purpose, to wit: to investigate the conduct of Wood, Commissioner of Public Buildings. And then he says that this man Hopkins thought he had some claim upon the consideration of the Administration, because he was chairman of the committee at Jersey City to receive the presidential train on its passage to Washington. I hope it is no particular tenderness for his own constituent and townsman, the self-constituted conductor of that presidential train, who travelled all the way from Syracuse to Springfield, Illinois, and put himself at the head of that train, and so gallantly conducted it through Baltimore even and all the way, that he secured the place nearest the throne as compensation for the valuable services he thus rendered. [Laughter.] That was my friend's constituent and townsman—Mr. Wood. My friend does not know him now. We all turn from the setting to the rising sun. [Laughter.]

Mr. SEDGWICK. I desire to say that the gentleman is as wide from the truth in this statement as he is in some others. Wood is not my constituent, and has not lived in my town for fifteen years.

Mr. DAWES. Oh, how he has fallen! There was a time when he was *valet de chambre*, and then he smiled on us all, and all of us would have been glad to own him as our constituent and townsman; now none so poor to do him reverence. [Laughter.] It was this gentleman, once a resident of my friend's town, whom, he says, and repeats twice in his speech, we took testimony to displace, and whom we did displace. *Hinc illæ lachrymæ!* Is that the cause of all these complaints? But the next thing my friend finds is a palpable contradiction in the testimony of Hopkins, to wit: that he, says in the beginning, "I came on here with Mr. Ormsby," and then, before he gets through, he says "Mr. Ormsby came on a day or two before I did." I got here a little while

the first. A terrible contradiction, truly! Has not my friend seen such a contradiction as this, brought out in glaring letters, so as to astonish a judicial tribunal at some cross-roads in his district? It is worthy of some justice's court at some cross-roads or some tavern. What if Hopkins did say that he got here a little while first? Did anybody inquire of him whether they came together or not? Did anybody inquire if they travelled in the same car, or care whether they did or not? They were here for a common purpose. My friend turns off for a moment from his late constituent and townsman—not now, but formerly—and if such men filled the district now, I dare say quite another man would come here as its Representative. He turns off from him to Ormsby, and he says that Ormsby, when he says he is proprietor of the New York Bank Note Company, is a myth, and he goes on a little way further, and says he is an impostor. Now, upon what authority does he say that? What does he find in the testimony about it? Nothing in the world. He asked me if I knew him, and then he asked his neighbor if he knew him. I said I did not and his neighbor said he did not, and thereupon he pronounced him first a myth and then an impostor, because two members of Congress did not know him. Now, that is assuming altogether too much. It would take a very large volume to contain what even a member of Congress does not know. [Laughter.]

But my friend goes on further, and refers to the testimony of Hopkins that there was not sufficient competition. He read in his testimony that he called and ascertained "at the proper office" that circulars were sent to these two bank note companies. And what is the complaint about that? Why, it is that Hopkins did not inform us whether "the proper office" was the office at Willard's Hotel or not, as if the investigating committee even did not know that the proper office to obtain this information was not the office at Willard's Hotel. My friend says that he goes upon the presumption that all public functionaries discharge their duties, and are honorable men, until the contrary is shown. So do I, and I include witnesses also. Unless my friend can find something besides what he has pointed out here in this examination, why we should not put confidence in this man's testimony, I presume with him that he is a fair and honorable man. I presume that much, at least, when he testifies to a transaction which will explain this strange fix we are in of being required to vote \$250,000 additional upon the estimate of \$300,000. We ask that this matter may be investigated, and that this item shall be postponed until it can be made to appear to the proper accounting officers that it is right and just to pay this money. My friend from Vermont [Mr. WALTON] offered an amendment, having that object in view, on Friday; and if our friends on the other side of

this question had been patient enough to have heard him explain it, instead of attempting to put it down as they did, they would have seen a disposition on the part of every man here who desires investigation into this item to sustain the Government in the prosecution of its lawful and just functions—a disposition to direct the appropriation of this money in such a way that it shall reach the Secretary's office, and the clerks and agents connected with it; and at the same time give the Secretary permission, if he sees fit, to make a contract under his own eye for the further printing of these Treasury notes, that shall secure to the country a conviction that he is seeing to it that every dollar of the public money which goes through his hands is expended with rigid economy and accountability.

I shall endeavor, Mr. Speaker, to carry out, in an amendment which I shall offer to the bill, precisely those ideas suggested by the amendment of the gentleman from Vermont. I hope that the amendment will be adopted, for I understand that a considerable portion of this \$250,000 must necessarily go to pay the clerks in the Department connected with the issue of these Treasury notes. I desire that they shall have their pay, and that that bureau in the Treasury Department shall go on unabridged in its strength and efficiency, and at the same time I ask the House to postpone for a while the payment of any further money into the hands of these engravers, not because I am satisfied beyond a doubt that they have made an improper contract with subordinate officers of

the Government, but because such are the circumstances surrounding it that it is just and proper that there shall be investigation. There has been time for the mails to reach here from New York since this debate closed on Friday, and I have no doubt that there will come in here, if the previous question is not called, any amount of letters and certificates to back up this claim. I stated on Friday that I might be doing these men injustice, and that all I asked of the House was that the case might be made clear, and that time should be given. I think that if these men have received \$300,000 already for the engraving and printing of these Treasury notes, it is but fair that they wait, if anybody must wait, while the poor, honest laborers that have been making clothes for the army receive some of their pay; and, in the mean time, some tribunal—the Secretary of the Treasury himself, and no more just and upright tribunal could be found—will see to it that this contract was not made unadvisedly or improvidently. Inasmuch, however, as some part of this appropriation ought to be applied to worthy objects, I offer the following amendment to the bill:

For the necessary expenses in carrying into effect the act of 11th of July, 1861, and the act of 5th of August, 1861, in addition to the appropriations made by those acts, \$150,000: *Provided*, That no part of this appropriation shall be used in the payment or liquidation of any sum due on any existing contract for engraving or printing bonds or notes.

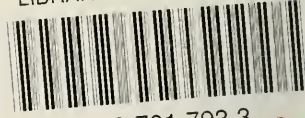
If that amendment shall be adopted, I propose to offer a similar amendment touching the \$100,000 in the next clause but one of the bill.

LIBRARY OF CONGRESS



0 013 701 793 3

LIBRARY OF CONGRESS



0 013 701 793 3

✓

permalife.
pH 8.5